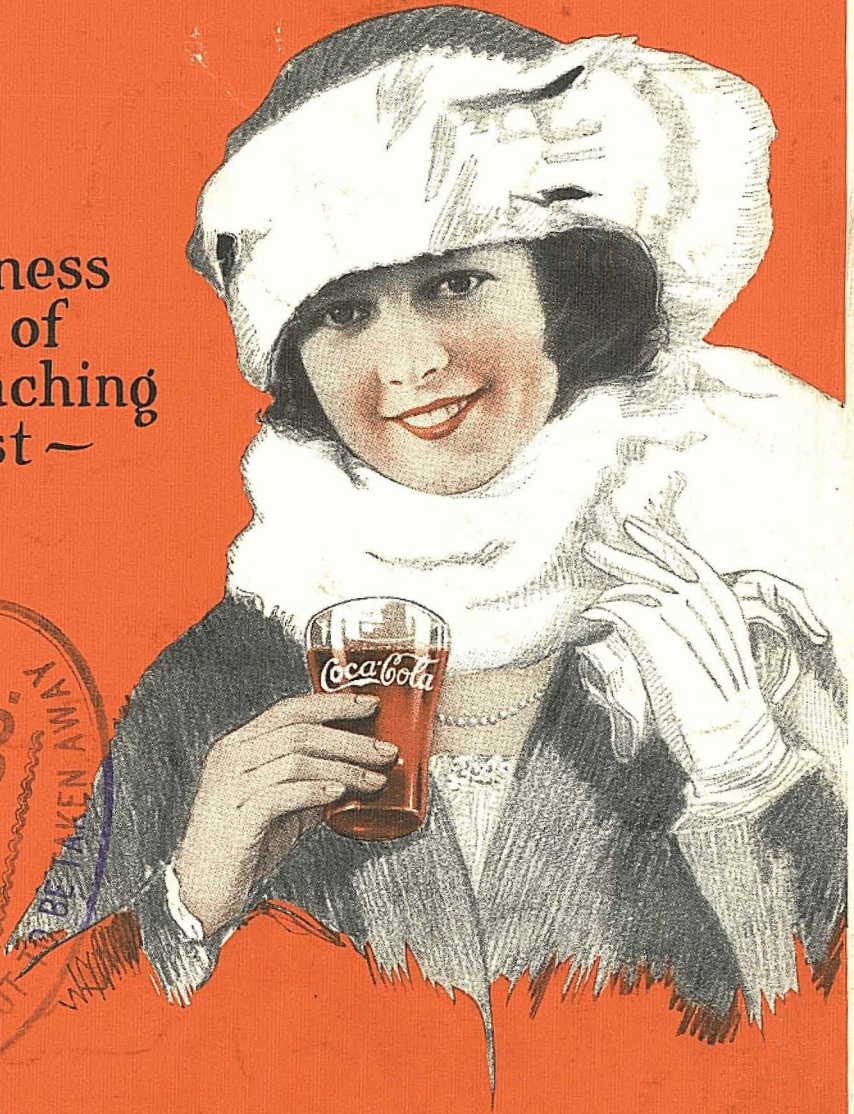


1923

CLEVELAND PUBLIC LIBRARY
BUSINESS INF. BUREAU
CORPORATION FILE

The
business
side of
quenching
thirst ~



Annual Report to Stockholders

BOARD
834.18
C6421

The Coca-Cola Company
Atlanta, Ga.



THE COCA-COLA COMPANY

ATLANTA, GA.

ANNUAL REPORT
TO THE STOCKHOLDERS

1923

Executive Officers and Directors of The Coca-Cola Company



OFFICERS

CHAIRMAN OF THE BOARD OF DIRECTORS

W. C. BRADLEY

PRESIDENT

CHARLES H. CANDLER

VICE-PRESIDENTS

W. P. HEATH.....*In Charge of Production*
HARRISON JONES.....*In Charge of Sales*
B. S. McCASH.....*In Charge of Advertising*

SECRETARY AND TREASURER

S. F. BOYKIN

ASSISTANT SECRETARY AND ASSISTANT TREASURER

W. G. LAMB

DIRECTORS

ROBT. W. ATKINS.....Boston, Mass.
C. A. AUSTIN.....New York, N. Y.
W. C. BRADLEY.....Columbus, Ga.
J. BULOW CAMPBELL.....Atlanta, Ga.
CHARLES H. CANDLER.....Atlanta, Ga.
MERREL P. CALLAWAY.....New York, N. Y.
W. C. D'ARCY.....St. Louis, Mo.
SAMUEL C. DOBBS.....Atlanta, Ga.
T. K. GLENN.....Atlanta, Ga.
CHARLES HAYDEN.....New York, N. Y.
HAROLD HIRSCH.....Atlanta, Ga.
JAMES H. NUNNALLY.....Atlanta, Ga.
E. W. STETSON.....New York, N. Y.
E. V. R. THAYER.....New York, N. Y.
ERNEST WOODRUFF.....Atlanta, Ga.

EXECUTIVE COMMITTEE

W. C. BRADLEY
CHARLES H. CANDLER
W. C. D'ARCY
T. K. GLENN

CHARLES HAYDEN
E. W. STETSON
E. V. R. THAYER
ERNEST WOODRUFF

GENERAL COUNSEL

CANDLER, THOMSON & HIRSCH
Atlanta, Ga.

TRANSFER AGENTS

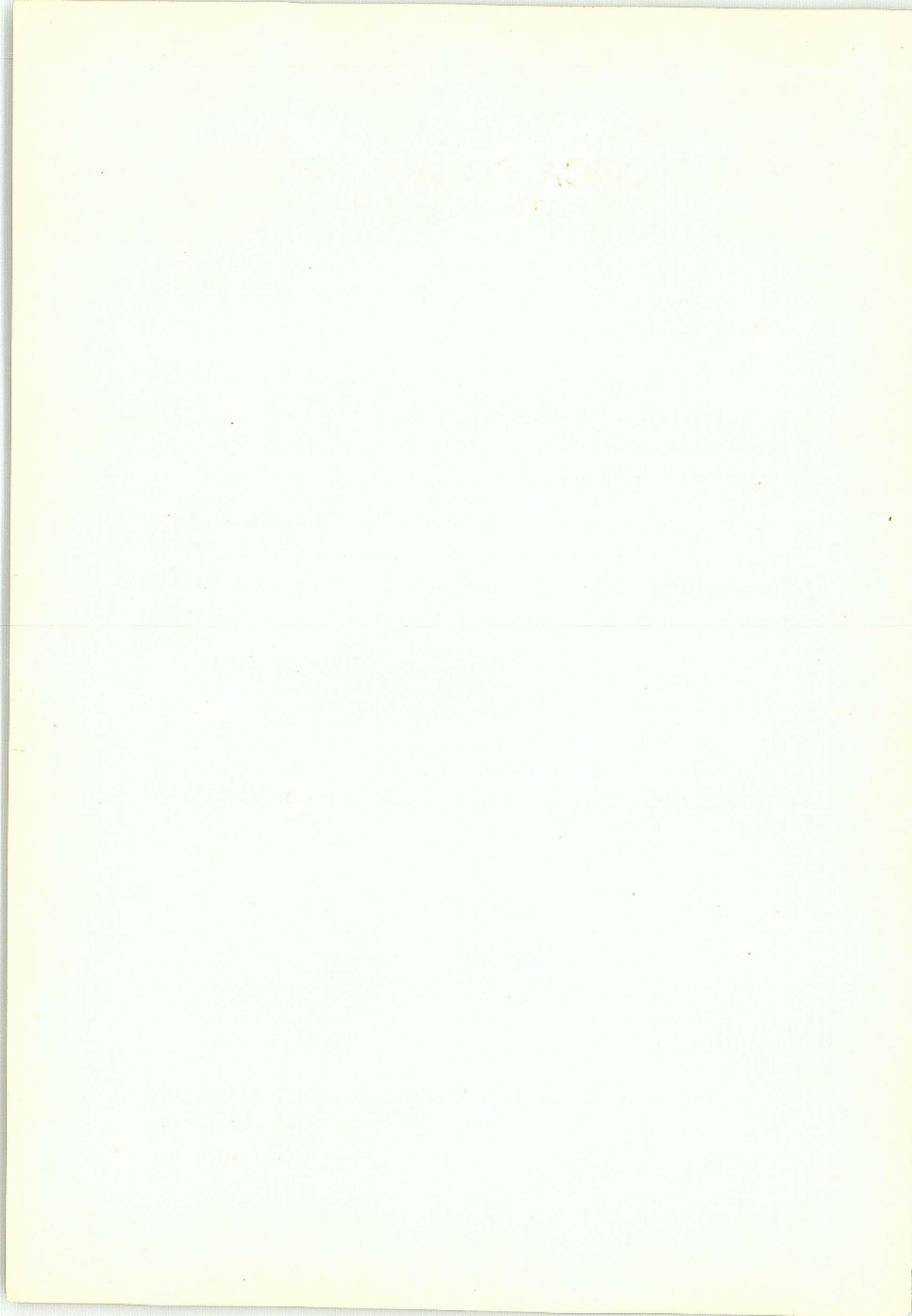
GUARANTY TRUST COMPANY,
New York, N. Y.

LOWRY BANK AND TRUST COMPANY
OF GEORGIA,
Atlanta, Ga.

REGISTRARS

CHASE NATIONAL BANK,
New York, N. Y.

THE CITIZENS AND SOUTHERN
BANK,
Atlanta, Ga.



THE COCA-COLA COMPANY

ATLANTA, GA.

February 26th, 1923.

To the Stockholders:

Your Board of Directors submits herewith its annual report of the business of The Coca-Cola Company and its subsidiaries for the year ended December 31st, 1922.

The comparative consolidated balance sheet showing the financial condition of the company as at December 31st, 1922, and at December 31st, 1921, together with a consolidated condensed statement of earnings showing the results of the operations for the year ended December 31st, 1922, is appended.

The net profit for the year amounted to \$11.14 per share for the Common Capital Stock after provision for Preferred Stock, Federal Taxes and depreciation.

More than three million dollars has been added during the year to the company's net tangible assets. The decrease in accounts receivable is more than offset by the increase in cash on hand due to better collections, and may be to some extent accounted for by abnormal buying in December, 1921.

Our Notes Payable to banks account was entirely liquidated early in the year. We now owe the banks nothing, and expect to finance our expansion program

as it develops, out of Current Earnings. It may be interesting to outline briefly at this point our building program for the year. The demands of the Chicago territory require larger output, so the plant now under construction at Chicago will be comparable in capacity to our largest existing plants. We will modernize and increase the capacity of our Canadian plant at Ottawa, Ont., and our Cuban plant at Havana. Likewise at Toronto, Ont., Canada, we will build a more conveniently located plant of larger capacity than our present one to handle the increased demand. We will erect a sales office and a small warehouse at Washington, D. C.

The total amount expended during the year 1922 for franchise, city, county, state and Federal taxes (including gallon taxes) was \$1,669,536.63.

Your particular attention is called to that part of the appended statement which refers to intangible assets, Formulae, Trade-Marks and Good Will. It will be noticed that this account has been reduced by the sum of \$4,590,000.00. This reduction has not taken place on account of any lessening of the value of the Formulae, Trade-Marks and Good Will of this company, but is due to the policy adopted by the Board of Directors of writing off its intangible assets. Therefore, pursuant to a resolution of the Board of Directors, that asset has been reduced in the above amount, and the capital surplus account in a equal amount, which has heretofore appeared as a liability of the company, has been eliminated. It will be the policy of the Board of Directors, from time to time, to

reduce intangibles, as good business warrants. This procedure, of course, does not in any way or manner affect the value of the stock or the intrinsic assets of this company.

Subsidiaries

The output of the Crystal Carbonic Laboratory, located at Atlanta, Ga., has not been larger on account of incursions into its territory by new competing plants. Its sales department has recently been enlarged and a very gratifying increase in volume has since been noted.

The Coca-Cola Company for France, operating our Paris bottling plant, shows a loss, which should be expected during its development period. We believe progress towards the success of the undertaking is being made.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Arthur H. Laidler". The signature is fluid and cursive, with a prominent initial "A".

President.

Consolidated Condensed Comparative Balance Sheet
The Coca-Cola Company, Atlanta, Georgia, and Its Subsidiaries
December 31st, 1922, and December 31st, 1921

ASSETS	December 31st, 1922	December 31st, 1921	Increase
CURRENT			
Cash.....	\$2,804,307.39	\$ 894,808.49	\$1,909,498.90
Government Securities.....	19,207.23	19,668.77	D 461.54
Bills Receivable.....	25,347.56	10,961.25	14,386.31
Accounts Receivable.....	944,525.23	1,704,224.53	D 759,699.30
Inventory.....	1,548,477.81	1,816,992.96	D 268,515.15
	<u>\$ 5,341,865.22</u>	<u>\$ 4,446,656.00</u>	<u>\$ 895,209.22</u>
OTHER ASSETS			
Notes Receivable—Real Estate Sold.....	\$ 127,083.36	\$ 152,541.18	D \$ 25,457.82
Notes Receivable—Stock Subscriptions.....		2,230.80	D 2,230.80
Sundry Notes and Accounts Receivable.....	13,699.65	127,820.50	D 114,120.85
	<u>140,783.01</u>	<u>282,592.48</u>	<u>D 141,809.47</u>
PERMANENT			
Land.....	\$1,168,958.16	\$1,069,297.22	\$ 99,660.94
Buildings.....	2,865,728.86	2,712,075.31	153,653.55
Machinery and Equipment.....	2,010,154.65	1,447,042.97	563,111.68
Bottles and Cases.....	829,460.05	1,269,880.16	D 440,420.11
	<u>\$6,874,301.72</u>	<u>\$6,498,295.66</u>	<u>\$ 376,006.06</u>
Less: Allowance for Depreciation.....	720,098.95	731,204.58	D 11,105.63
	<u>6,154,202.77</u>	<u>5,767,091.08</u>	<u>387,111.69</u>
FORMULAE, TRADE-MARKS AND GOOD WILL	20,400,230.87	24,966,230.09	D 4,565,999.22
DEFERRED CHARGES			
Prepaid Interest and Unexpired Insurance Premiums.....	24,969.92	47,375.24	D 22,405.32
D—Decrease.	<u>\$32,062,051.79</u>	<u>\$35,509,944.89</u>	<u>D \$3,447,893.10</u>

LIABILITIES

CURRENT			
Notes Payable.....		\$2,165,750.00	D \$2,165,750.00
Accounts Payable.....	\$ 514,554.31	1,024,897.77	D 510,343.46
Accrued Accounts.....	1,950.00	2,752.22	D 802.22
	<u>\$ 516,504.31</u>	<u>\$ 3,193,399.99</u>	<u>D \$2,676,895.68</u>
DEFERRED			
Real Estate Notes—Due 1923–25.....	78,000.00	81,500.00	D 3,500.00
RESERVE			
For Federal Taxes.....	897,000.00	427,000.00	470,000.00
NOMINAL			
CAPITAL STOCK.....	25,010,000.00	25,010,000.00	
PROFIT AND LOSS—SURPLUS			
Capital Surplus.....		\$4,590,000.00	D \$4,590,000.00
Earned.....	5,560,547.48	2,208,044.90	3,352,502.58
		<u>6,798,044.90</u>	<u>D 1,237,497.42</u>
	<u>\$32,062,051.79</u>	<u>\$35,509,944.89</u>	<u>D \$3,447,893.10</u>

D—Decrease.

Consolidated Condensed Statement of Earnings

The Coca-Cola Company, Atlanta, Ga.
and Its Subsidiaries



Year Ended December 31st, 1922

SALES.....	\$21,053,834.39
<i>Less:</i> Cost of goods sold, including freight on sales, discounts and allowances.....	9,706,516.61
Gross operating profit.....	<u>\$11,347,317.78</u>
<i>Less:</i> Expenses, selling, branch, administrative, and general.....	4,120,155.89
Net operating profit.....	\$ 7,227,161.89
<i>Less:</i> Other net deductions, interest, etc.....	61,719.34
Net profit before Federal taxes	<u>\$ 7,165,442.55</u>
<i>Less:</i> Reserve for Federal taxes	897,000.00
Net profit.....	<u><u>\$ 6,268,442.55</u></u>

Analysis of Surplus Account

Profit for year 1922 from Statement of Earnings.....	\$ 6,268,442.55
Less Preferred and Common dividends paid (see footnote) ..	<u>2,950,000.00</u>
Net profit to add to surplus.....	\$ 3,318,442.55
Add excess reserve for Federal taxes for year 1921.....	34,060.03
Surplus at beginning of year.....	<u>2,208,044.90</u>
Surplus at December 31st, 1922.....	<u><u>\$ 5,560,547.48</u></u>
April 1st, 1922—Common.....	\$ 500,000.00
July 1st, 1922—Preferred.....	350,000.00
July 1st, 1922—Common.....	500,000.00
October 1st, 1922—Common.....	500,000.00
December 30th, 1922—Preferred.....	350,000.00
December 30th, 1922—Common.....	750,000.00
	<u><u>\$2,950,000.00</u></u>

Auditors' Certificate

We Hereby Certify:

That we have audited the books of account and record of THE COCA-COLA COMPANY, Atlanta, Georgia, and its subsidiaries, and that, based upon our examination and information obtained, it is our opinion that the annexed Consolidated Condensed Balance Sheet is drawn so as to correctly reflect the financial position of the Companies at December 31st, 1922, and that the relative Consolidated Condensed Statement of Earnings and Profit and Loss - Surplus Statements are correct.

(Signed) ERNST & ERNST,
Public Accountants
and Auditors.

Atlanta, Georgia,
January 20th, 1923.

FACTS

Stockholders who would know fully the business side of Coca-Cola may look with profit into its history. For this reason, we have added to the annual report a brief history of Coca-Cola—giving the facts of its beginning and showing its steady growth through 37 years.

This short history is the introductory chapter to a book, entitled "Facts," which we will distribute liberally this year. These "Facts" show what Coca-Cola is and why it is the favorite American beverage—revealing that Coca-Cola was no accident, that it is wholesome and pure, and that "delicious and refreshing" describe a scientific result not equaled in any other product. They make Coca-Cola's record a successful history—evidencing progress into a more successful future.

The Chain of The Coca-Cola Company's Title to Coca-Cola

<i>Date</i>	<i>Manufacturer</i>	<i>Owner</i>
May, 1886	Pemberton Chemical Co...	J. S. Pemberton 107 Marietta St., Atlanta, Ga.
To July 8, 1887	W. E. Venable.....	{ J. S. Pemberton W. E. Venable Geo. S. Lowndes Marietta and Peachtree, Atlanta, Ga.
To Dec. 14, 1887	Woolfolk Walker.....	{ J. S. Pemberton Woolfolk Walker Mrs. M. C. Dozier 107 Marietta St., Atlanta, Ga.
To April 14, 1888	{ Woolfolk Walker..... F. M. Robinson.....	{ Walker, Candler & Co. Woolfolk Walker Mrs. M. C. Dozier 107 Marietta St., Atlanta, Ga.
To April 17, 1888	F. M. Robinson.....	{ Walker, Candler & Co. Asa G. Candler Woolfolk Walker Mrs. M. C. Dozier 63 Peachtree St., Atlanta, Ga.
To Aug. 30, 1888	F. M. Robinson.....	{ Walker, Candler & Co. Asa G. Candler 63 Peachtree St., Atlanta, Ga.
To April 22, 1891	F. M. Robinson.....	Asa G. Candler 63 Peachtree St., Atlanta, Ga.
To Feb. 22, 1892	F. M. Robinson.....	The Coca-Cola Co. Atlanta, Ga.
To 1893	The Coca-Cola Co.....	The Coca-Cola Co. Atlanta, Ga.
To Sept. 12, 1919	The Coca-Cola Co.....	The Coca-Cola Co. Atlanta, Ga.

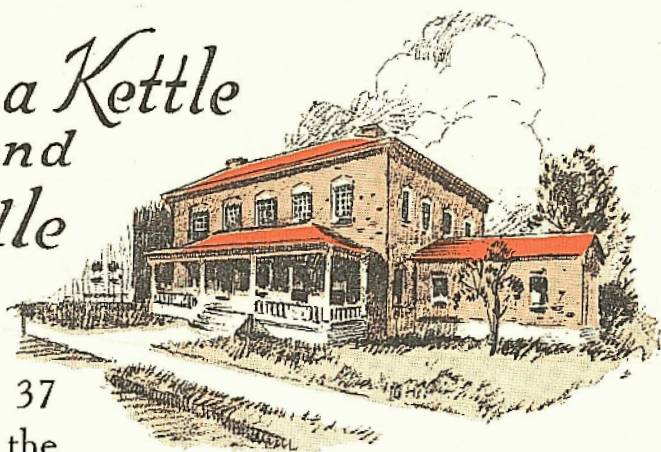
*(The present company owned by thou-
sands of stockholders)*

A Proud History

Growth in Sales

<i>Year</i>	<i>Gallons of Syrup</i>
1886.....	25
1887.....	1,049
1888.....	1,933
1889.....	2,171
1890.....	8,855
1891.....	19,831
1892.....	35,360
1893.....	48,427
1894.....	64,333
1895.....	76,244
1896.....	117,636
1897.....	163,297
1898.....	214,008
1899.....	281,055
1900.....	370,877
1901.....	468,411
1902.....	677,515
1903.....	881,423
1904.....	1,133,788
1905.....	1,549,886
1906.....	2,107,661
1907.....	2,558,782
1908.....	2,877,732
1909.....	3,486,626
1910.....	4,190,149
1911.....	4,815,677
1912.....	5,504,956
1913.....	6,767,822
1914.....	7,231,562
1915.....	7,521,833
1916.....	9,715,892
1917.....	12,109,420
1918.....	10,314,727
1919.....	18,730,167
1920.....	18,656,445
1921.....	15,837,449
1922.....	15,437,612

From a Kettle and a Ladle



*The Home of Coca-Cola in 1886
—107 Marietta St., Atlanta, Ga.*

WE go back 37 years for the first fact—to 1886, in Atlanta, Georgia. It was then and there that Coca-Cola had its beginning.

This beginning, at the time, slipped unnoticed into history. Looking back, we see it was truly obscure—a man¹ at work in the kitchen of an old residence with a kettle and a ladle. Soda fountains were rare novelties that were closed down in early fall and left inactive until late spring. Bottled soft drinks were of little consequence. But the man with the kettle and the ladle had a beverage idea. With taste as his test, after many experiments, he prepared the first Coca-Cola.

Very slowly this individual effort began to take the form of a business enterprise. A very small company had been organized and stock was sold. The name “Coca-Cola” was originated by an associate.²

1. Dr. J. S. Pemberton.

2. F. M. Robinson.

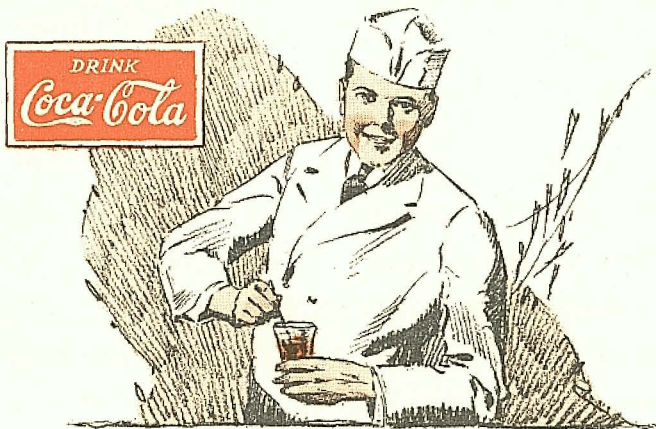
But at the end of the first year of business only 25 gallons of Coca-Cola syrup had been marketed.

For some time following, the manufacture and sale of Coca-Cola was merely a struggle that attracted only slight local attention. Control of the little company passed through several hands. The founder of the business died. What Coca-Cola held in opportunity depended entirely on what human imagination and effort could create. A little of the stock of the small company came into the hands of a man³ who sensed definite possibilities. Through force of circumstances and because of the slight prospects of success for the business, he gradually acquired complete ownership.⁴

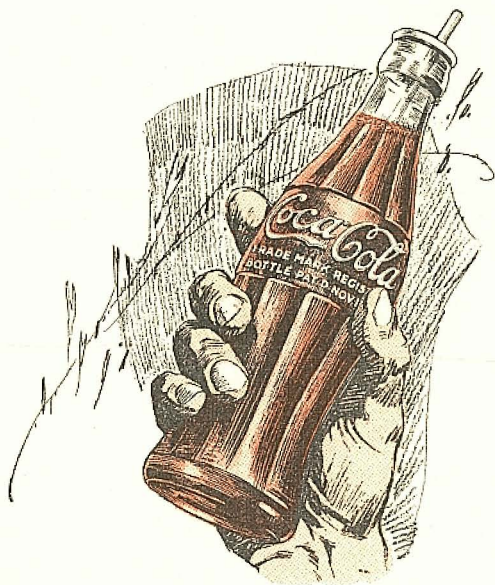
Through the new owner a new foundation for the business was laid. The formula was painstakingly perfected and the beverage became synonymous with "delicious and refreshing." Lack of fountain facilities

3. Asa G. Candler.

4. The year 1891.



through which to reach consumers necessitated the selling of an idea as well as a product. A sales policy was adopted to show drug store owners that people were always thirsty, that they would buy a good beverage and that soda fountain sales could be made profitable business. With sales of Coca-Cola syrup on this



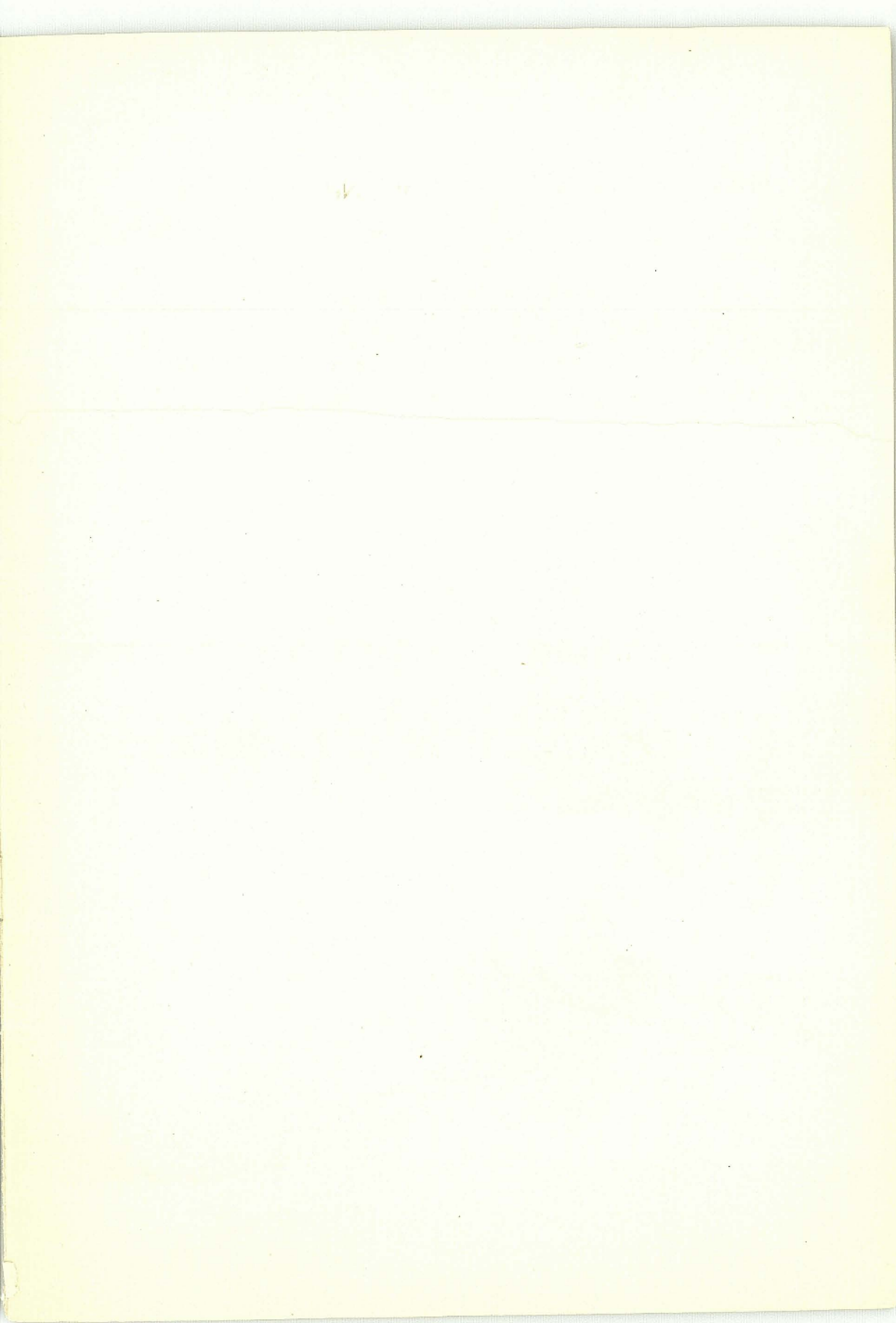
basis, repeat orders began to come in and there dawned the promise of a real business. In 1892 sales reached 35,360 gallons of syrup, \$11,401.78 was spent in advertising, and the business was incorporated as The Coca-Cola Company, Atlanta, Ga.

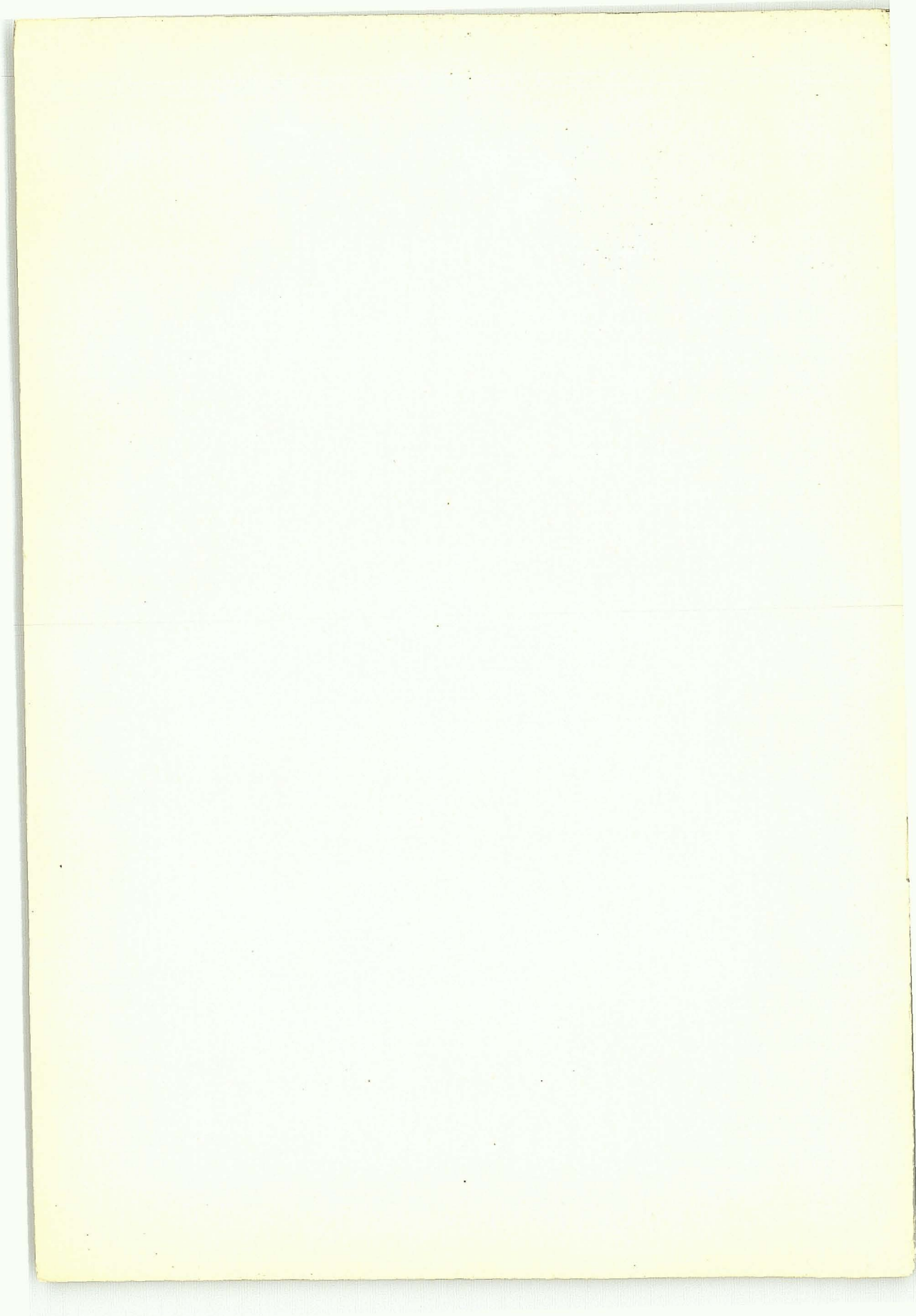
Thus carefully and slowly founded, Coca-Cola has grown from a local effort by a single individual to a world-wide institution. When, twenty years ago, it was securely established as a favorite soda fountain beverage, the bottling of Coca-Cola was begun. Until 1919 The Coca-Cola Company was a close corporation. In that year its ownership passed into the hands of thousands of stockholders in all parts of the country. Today Coca-Cola is sold all over the United States, Canada and Cuba, and in the Hawaiian Islands, Porto

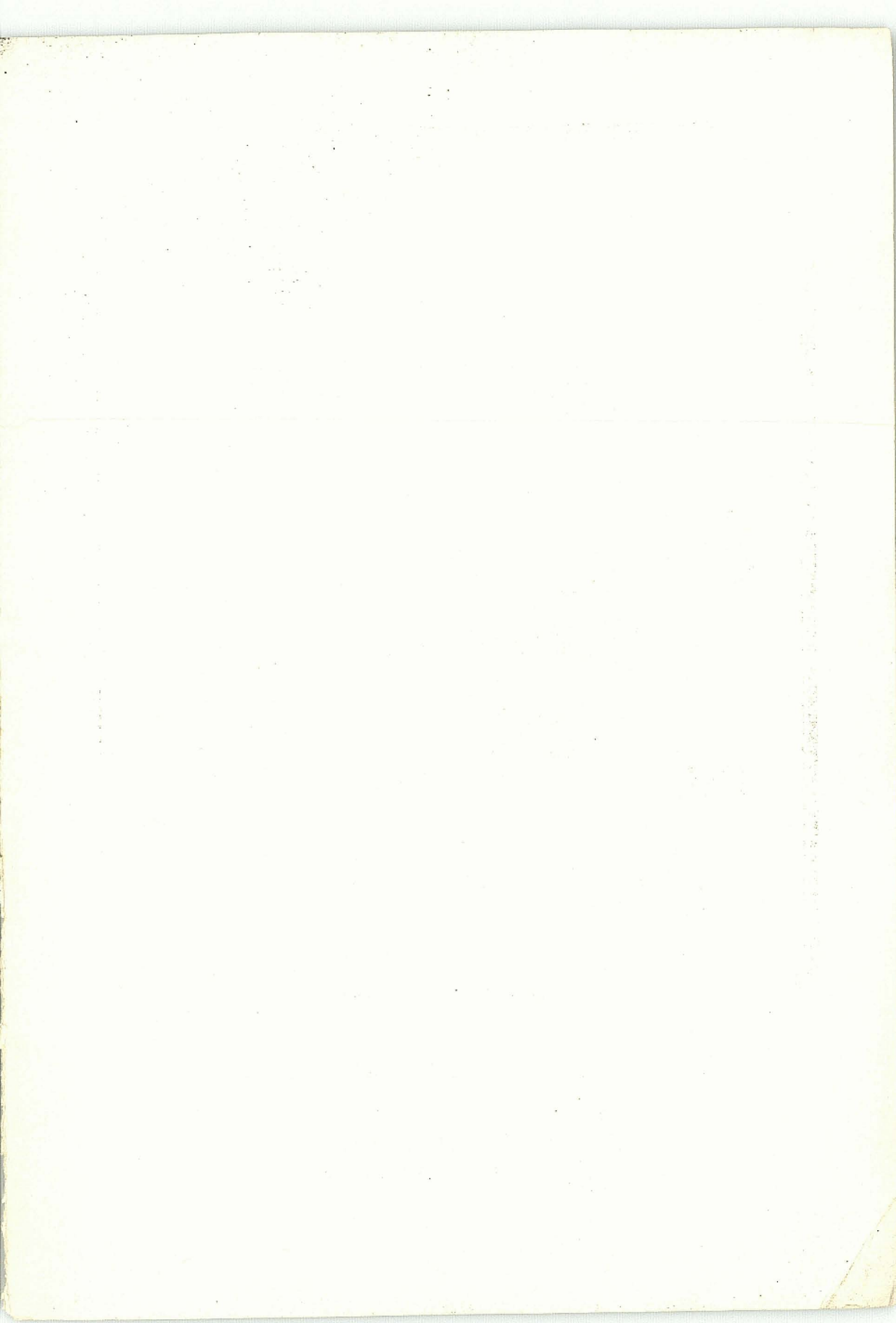
Rico, Panama, Mexico, Australia, New Zealand, England, France, and in the Orient. It has been built from a kettle and a ladle and only a shadow of hope of sales to fifteen modern factories, 1,200 bottling plants, 2,000 jobbers, 105,000 fountain retailers, 150,000 bottle retailers and sales of millions of glasses and bottles a day during all twelve months of the year.

One point stands out in this business romance. It is that the Coca-Cola business has been built gradually through 37 years of effort. This sort of success could never have been accomplished with a fad or by luck. It has been done through two things—intrinsic worth and quality in the product, and good service in its distribution.









Enjoy thirst-

Young and old—all may know great delight in pleasing taste and quenching thirst with a pure and wholesome beverage. And the 5c price, with service everywhere, puts it within easy reach of one and all.



Drink

Coca-Cola

TRADE MARK
REGISTERED

Delicious and Refreshing

5¢

It brings good company together
— as a bottled beverage and at
fountains.

The Coca-Cola Company, Atlanta, Ga.

An example of 1923 Coca-Cola
advertising in newspapers

6-1640C
1.538
-3390